

BEFORE THE TENNESSEE REGULATORY AUTHORITY AT

NASHVILLE, TENNESSEE

March 31, 1998

IN RE: PETITION OF ON SITE)	
SYSTEMS, INC. TO AMEND ITS)	DOCKET NO.: 97-01393
CERTIFICATE OF CONVENIENCE)	
AND NECESSITY)	

**ORDER APPROVING PETITION OF ON-SITE SYSTEMS, INC. TO AMEND ITS
CERTIFICATE OF CONVENIENCE AND NECESSITY FOR EXPANSION OF SERVICE
AREA**

This matter is before the Tennessee Regulatory Authority (the "Authority") for a decision on the Petition of On-Site Systems, Inc. (hereafter the "Company") to amend its Certificate of Convenience and Necessity for expansion of its service area to include a portion of Williamson County, now a part of the Milcrofton Utility District.

On April 4, 1994, On-Site Systems, Inc., received a Certificate of Convenience and Necessity, in Docket No. 93-09040, from the Tennessee Public Service Commission, to provide sewage collection, treatment and disposal for the proposed Oakwood development in Maury County, Tennessee. On August 4, 1997, the Authority approved the Company's Petition to expand its service territory in Montgomery County and in Rutherford County. The Company's current tariff provides for a monthly rate of \$8.49 for sewer service.

This Petition was filed by the Company on August 6, 1997, to expand their service territory to include a portion of the Milcrofton Utility District in Williamson County. The Company represents in its Petition that the Milcrofton Utility District does not currently provide

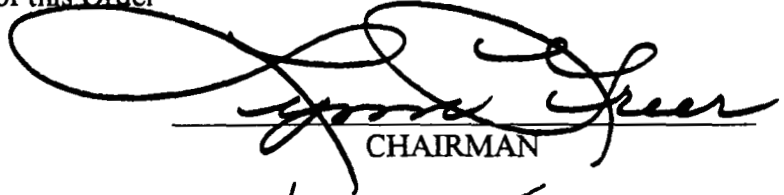
sewer services to its customers. The Company further represents that a small portion of the Milcrofton Utility District receives sewer service from the City of Franklin, Tennessee. This portion is not included in the current Petition by the Company. The Petition also states that the Microfton Utility District desires sewer service in the proposed service area in the Petition, but does not want either the expense or responsibility of operating the system. The Company further states that the Milcrofton Utility District has given permission to the Company to provide sewer service by letter agreement. A copy of the letter with attached site map from the Utility District is attached as Exhibit A.

On September 23, 1997, this Petition came before the Authority at a regularly scheduled Directors' Conference. Upon consideration of the Petition and pertinent portions of the record, the Directors find the Petition to be consistent with other service-area territory expansion requests previously approved by the Authority for On-Site Systems, Inc. Therefore, the Authority unanimously approves the Company's Petition.

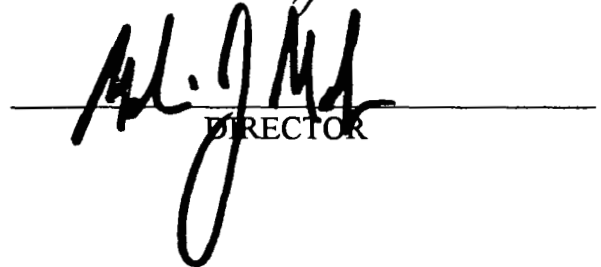
IT IS THEREFORE ORDERED THAT:

1. The Petition of On-Site Systems, Inc., to amend its Certificate of Convenience and Necessity to expand its service territory to include a portion of the Milcrofton Utility District in Williamson County is hereby approved;
2. Any party aggrieved with the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within ten (10) days from and after the date of this Order; and

3 Any party aggrieved with the Authority's decision in this matter has the right of judicial review by filing a Petition for Review in the Tennessee Court of Appeals, Middle Section, within sixty (60) days from and after the date of this Order


CHAIRMAN


DIRECTOR


DIRECTOR

ATTEST


EXECUTIVE SECRETARY